

Drafts of Statement for use of Senior Agency Officials

10 Aug 62

STATEMENT FOR SENIOR OFFICIALS CONCERNING OUR EARLY RETIREMENT PROPOSAL

purpose of the
The proposed legislation (HR) is ~~simply a bill to give~~ *to make available* to limited numbers of Agency employees a retirement system ~~like~~ *similar to* that of the Foreign Service, ~~system~~. The Agency has concluded that this system is urgently needed and basically fits our requirements.

Since Mr. McCone took over, he has conducted a thorough review of Agency management ~~of~~ *and* personnel. [In fact, we are just finishing an Agency reduction-in-force program involving about 150 people. These were occupation-ally surplus, i.e., based on our specialized needs and in accord with our manpower alignments they were excess.] While the Director has found that the people in the Agency are of unusual competence and dedication, the nature of the work involved in our operations calls for a young and resilient group of employees. ~~And for certain numbers of people they simply won't be able~~ *percentage will not* to look forward to a ~~normal~~ *full* working career of 30 or more years.

Those A ~~substantial~~ *affected* part of Agency employees are obligated to serve anywhere in the world as in the Foreign Service and the military and unlike the normal Civil Service employees. Consequently, ~~The~~ *such* Civil Service Retirement Act ~~is~~ *was* not designed for these types of people. On the other hand, ~~the~~ *The* Foreign Service retirement system has been developed over the years to meet the needs of a service consisting of people who are required and do spend the major part of their careers abroad. We believe that adopting a ~~similar~~ system will fulfill our needs.

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this*

The ~~reduction-in-force~~ exercise has created considerable restiveness among some of our employees and we feel that a new program such as this will reassure this group that their dedication is being recognized by the provision of a more ~~adequate~~ *appropriate* retirement system.

D R A F T
10 Aug 62

EARLY RETIREMENT PROPOSAL

STATEMENT FOR USE OF SENIOR AGENCY OFFICIALS

After Mr. McCone and General Carter assumed responsibility for CIA, they directed a thorough examination of the organization and other management processes in the Agency. The Agency is also engaged in a painful exercise similar to a reduction in force in other agencies through which it has separated, or will separate, about 150 people who are surplus to its specialized needs. Through both of these reviews, the DCI and DDCI have looked closely at the Agency's personnel and its personnel program. They have stated on many occasions their conclusion that the people in CIA are of outstanding competence and dedication and that its personnel is generally responsive to the Agency's special needs. They have stated their conviction that the Agency must make every effort to recruit and retain the best people who can be found to do its work and to remove those people who do not or cannot continue to meet the Agency's high standards and special service obligations.

They have noted a significant deficiency in the Agency's retirement system in regard to these objectives. In brief, the problem is this: The nature of the work involved in foreign intelligence operations requires the employment of people who are highly motivated and who develop unique and specialized abilities through their continuing training and service over the years. These people are obligated to serve anywhere in the world at the Agency's direction, as are members of the military services and the Foreign Service. These conditions require a staff of career officers. Yet, the conditions and requirements of service in foreign intelligence operations

call for a preponderantly youthful body of employees and make it impractical, if not impossible, to retain many individuals for a full working career of 30 or so years. The civil service retirement system which now applies to all regular Agency employees does not provide adequately for those officers whose careers must be cut short.

STAT The Agency has studied this problem thoroughly and has concluded that a system of retirement corresponding to that of the Foreign Service would be ideally suited to about employees whose careers are predominantly served in the conduct or support of foreign intelligence operations. The Foreign Service system is already established and has proved effective for years under generally comparable conditions of service.

It is recognized that the Agency is seeking this legislation almost on the eve of adjournment of the Congress. However, the effects on Agency morale of the exercise referred to above for separating surplus personnel lend an air of urgency to this request. These employees received only the limited benefits of the civil service retirement system and modest financial assistance from the Agency. This situation has become known among other employees of the Agency and has created feelings of uncertainty and security about their futures, especially in officers in the intermediate grades and approaching early middle age. We have observed considerable restiveness among these officers and some of them have taken active steps to locate other employment. We believe that the groundwork has been established for the development of a serious morale problem which must be avoided at any cost. Not to do so would endanger the fine esprit that exists today, would certainly induce many employees to reflect seriously about their long-term career prospects, and would greatly impair our ability to recruit people of the high caliber so essential to our work. Further, enactment of the proposed

legislation would assure employees of concern at Agency and Government level for their welfare and would provide tangible evidence of the Agency's determination to solve its manpower problems in a more humane fashion.